

MINUTES

MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION SUB COMMITTEE ON TAXATION ON SB 82

Call to Order: By **CHAIRMAN BOB STORY JR.**, on January 21, 2003 at 8:02 A.M., in Room 405 Capitol.

ROLL CALL

Members Present:

Sen. Bob Story Jr., Chairman (R)
Sen. Jerry W. Black (R)
Sen. Jim Elliott (D)

Members Excused: None.

Members Absent: None.

Staff Present: Shirley Herrin, Committee Secretary
Lee Heiman, Legislative Services Division

Others Present: Sen. Sam Kitzenberg (R)
Doug Monger, FWP

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Discussion On: SB 82

Lee Heiman reviewed the proposed amendments. He stated that amendment # 6 of subsection 2 provided for half the money to be allocated to the administrative regions and the other half to be allocated to be used for operations, maintenance, capital expenditures and acquisitions.

CHAIRMAN BOB STORY explained the issue on No. 6 was the distribution, and the sub-committee was leaning toward half of what was collected in the region stayed in the region and the other half would be re-distributed.

Doug Monger said they had created district maps which show how much each county would collect. **SEN. JIM ELLIOTT** suggested that

75% be retained in the district if that would leave adequate money to be distributed at the department's discretion. **Mr. Monger** responded he thought that would have an adverse effect in western Montana because there are motor boat related parks and they can put motor boat money into them, so you could put money in where it wasn't needed. **Mr. Monger** said his staff had suggested that 35% be left in each region which would guarantee \$100,000.00.

The committee discussed whether they should consider a dollar amount go to each region rather than a percentage. **Mr. Monger** said he should have taken the income they get in those regions because the mill levy would be replacing those incomes. He said the guarantee of \$100,000.00 back to the region would cover the compensation for the day-use fees.

SEN. ELLIOTT inquired what the total amount is. **Mr. Monger** responded it is \$3.4M or \$1.4M per year. The total fees collection now is \$1.6M per year - \$650,000 in day use fees.

CHAIRMAN STORY asked the committees's feelings on the distribution issue. **SEN. ELLIOTT** stated if you take the value of one mill and divide it up evenly throughout seven districts, you get \$243,000.00 per district. He questioned whether the committee should elect to distribute as a percent, as a dollar amount or as a proportion of a mill, with the value of one mill to be allocated equally among the districts, and the value of the second mill to be distributed according to the FWP.

Mr. Monger inquired whether the legislature can change a referendum for future allocation if they decide to at a later date. **SEN. ELLIOTT** replied that a referendum becomes a statute, which can be changed by the legislature but can't be changed by rule unless rule-making authority is given.

SEN. ELLIOTT proposed a referendum with a two mill levy, with one mill to be distributed by FWD at their discretion, and the other mill to be divided equally among the seven regions (\$1.7M divided by seven equals \$242.8 thousand).

Lee Heiman reviewed the amendments to SB 82 as follows:

- 1) Add in the title; for operation, maintenance, 2) capital expenditures and acquisition.
- 2) Get rid of the day-use fees for residents in the title.
- 3) Insert ten year period until 2114.
- 4) Provides that half of the funds be allocated equally to the administrative regions and the remainder allocated by the commission.

SEN. ELLIOTT moved that the sub-committee's recommendation would be to adopt the amendment. Motion carried unanimously.

ADJOURNMENT

Adjournment: 8:26 A.M.

SEN. ROBERT STORY JR., Chairman

SHIRLEY HERRIN, Secretary

RS/SH